

(i) Inform the submitting Seller that the QATT as changed or modified is consistent with, and is not outside the scope of, the Seller's Designation or Certification;

(ii) Issue to the Seller a modified Designation or Certification incorporating some or all of the notified changes or modifications;

(iii) Seek further information regarding the changes or modifications and temporarily suspend the 60-day period of review;

(iv) Inform the submitting Seller that the changes or modifications might cause the QATT as changed or modified to be outside the scope of the Seller's Designation or Certification, and require further review and consideration by the Department;

(v) Inform the submitting Seller that the QATT as changed or modified is outside the scope of the subject Seller's Designation or Certification, and require that the QATT be brought back into conformance with the Seller's Designation or Certification; or

(vi) If the Seller fails to bring the subject QATT into conformance in accordance with the Under Secretary's direction pursuant to paragraph (l)(2)(v) of this section, issue a public notice stating that the QATT as changed or modified is outside the scope of the submitting Seller's Designation or Certification and, consequentially, that such Designation or Certification is not applicable to the QATT as changed or modified. If the Under Secretary does not take one or more of such actions within the 60-day period following the Department's receipt of a Seller's Modification Notice, the changes or modifications identified in the Modification Notice will be deemed to be approved by the Under Secretary and the QATT, as changed or modified, will be conclusively established to be within the scope of the description of the QATT in the Seller's Designation or Certification.

(3) Notwithstanding anything to the contrary herein, a Seller's original QATT Designation or Certification will continue in full force and effect in accordance with its terms unless modified, suspended, or terminated by the Under Secretary in his discretion, including during the pendency of the re-

view of the Seller's Modification Notice. In no event will any SAFETY Act Designation or Certification terminate automatically or retroactively under this section. A Seller is not required to notify the Under Secretary of any change or modification that is made post-sale by a purchaser or end-user of the QATT without the Seller's consent, but the Under Secretary may, in appropriate circumstances, require an end-user to provide periodic reports on modifications or permit inspections or audits.

§ 25.7 Litigation management.

(a) Liability for all claims against a Seller arising out of, relating to, or resulting from an Act of Terrorism when such Seller's Qualified Anti-Terrorism Technology has been deployed in defense against, response to, or recovery from such act and such claims result or may result in loss to the Seller shall not be in an amount greater than the limits of liability insurance coverage required to be maintained by the Seller under this section or as specified in the applicable Designation.

(b) In addition, in any action for damages brought under section 442 of Title 6, United States Code:

(1) No punitive damages intended to punish or deter, exemplary damages, or other damages not intended to compensate a plaintiff for actual losses may be awarded, nor shall any party be liable for interest prior to the judgment;

(2) Noneconomic damages may be awarded against a defendant only in an amount directly proportional to the percentage of responsibility of such defendant for the harm to the plaintiff, and no plaintiff may recover noneconomic damages unless the plaintiff suffered physical harm; and

(3) Any recovery by a plaintiff shall be reduced by the amount of collateral source compensation, if any, that the plaintiff has received or is entitled to receive as a result of such Acts of Terrorism that result or may result in loss to the Seller.

(c) Without prejudice to the authority of the Under Secretary to terminate a Designation pursuant to paragraph (h) of § 25.6, the liability limitations and reductions set forth in this

section shall apply in perpetuity to all sales or deployments of a Qualified Anti-Terrorism Technology in defense against, response to, or recovery from any Act of Terrorism that occurs on or after the effective date of the Designation applicable to such Qualified Anti-Terrorism Technology, regardless of whether any liability insurance coverage required to be obtained by the Seller is actually obtained or maintained or not, provided that the sale of such Qualified Anti-Terrorism Technology was consummated by the Seller on or after the earliest date of sale of such Qualified Anti-Terrorism Technology specified in such Designation and prior to the earlier of the expiration or termination of such Designation.

(d) There shall exist only one cause of action for loss of property, personal injury, or death for performance or non-performance of the Seller's Qualified Anti-Terrorism Technology in relation to an Act of Terrorism. Such cause of action may be brought only against the Seller of the Qualified Anti-Terrorism Technology and may not be brought against the buyers, the buyers' contractors, or downstream users of the Technology, the Seller's suppliers or contractors, or any other person or entity. In addition, such cause of action must be brought in the appropriate district court of the United States.

§ 25.8 Government contractor Defense.

(a) *Criteria for Certification.* The Under Secretary may issue a Certification for a Qualified Anti-Terrorism Technology as an Approved Product for Homeland Security for purposes of establishing a rebuttable presumption of the applicability of the government contractor defense. In determining whether to issue such Certification, the Under Secretary or his designee shall conduct a comprehensive review of the design of such Technology and determine whether it will perform as intended, conforms to the Seller's specifications, and is safe for use as intended. The Seller shall provide safety and hazard analyses and other relevant data and information regarding such Qualified Anti-Terrorism Technology to the Department in connection with an application. The Under

Secretary or his designee may require that the Seller submit any information that the Under Secretary or his designee considers relevant to the application for approval. The Under Secretary or his designee may consult with, and rely upon the expertise of, any other governmental or non-governmental person, firm, or entity, and may consider test results produced by an independent laboratory or other person, firm, or other entity engaged by the Seller.

(b) *Extent of Liability.* Should a product liability or other lawsuit be filed for claims arising out of, relating to, or resulting from an Act of Terrorism when Qualified Anti-Terrorism Technologies Certified by the Under Secretary as provided in §§ 25.8 and 25.9 of this part have been deployed in defense against or response or recovery from such act and such claims result or may result in loss to the Seller, there shall be a rebuttable presumption that the government contractor defense applies in such lawsuit. This presumption shall only be overcome by clear and convincing evidence showing that the Seller acted fraudulently or with willful misconduct in submitting information to the Department during the course of the consideration of such Technology under this section and § 25.9 of this part. A claimant's burden to show fraud or willful misconduct in connection with a Seller's SAFETY Act application cannot be satisfied unless the claimant establishes there was a knowing and deliberate intent to deceive the Department. This presumption of the government contractor defense shall apply regardless of whether the claim against the Seller arises from a sale of the product to Federal Government or non-Federal Government customers. Such presumption shall apply in perpetuity to all deployments of a Qualified Anti-Terrorism Technology (for which a Certification has been issued by the Under Secretary as provided in this section and § 25.9 of this part) in defense against, response to, or recovery from any Act of Terrorism that occurs on or after the effective date of the Certification applicable to such Technology, provided that the sale of such Technology was consummated by the Seller on or after the earliest date